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SUBJECT: SCENESETTER FOR GERMAN AGRICULTURE MINISTER AIGNER'S VISIT TO THE UNITED STATES

REFS: a) STATE 73058 b) Munich 90 c) Berlin 447

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**¶11. SUMMARY.** (SBU) German Agricultural Minister Ilse Aigner's trip to New York and Washington, D.C. during the week of May 12-16, will be her first official visit to the United States since assuming her position in November 2008. Aigner is new to the international arena and this visit is billed as an information gathering trip. The central focus is to learn more about the U.S. agricultural industry and the new Administration's agricultural policies. Her trip gives the United States an opportunity to explain how German policy decisions, such as the cultivation ban on MON810 discourage the use of biotechnology in developing countries. Minister Aigner is expected to raise the following issues: 1) biotechnology; 2) biofuels and sustainability; 3) WTO and the Doha Agenda; 4) WTO Beef Case; 5) The G8-process and FAO Reform; and 6) 2010 International Green Week. Some German Government officials have indicated that they hope Aigner will come home understanding that decisions she makes (i.e. MON810) have international implications. Meetings have also been requested with USTR and members of Congress. END SUMMARY.

#### TRIP OVERVIEW

**¶12. (SBU)** As follow-up to the G-8 Agricultural meeting, Ilse Aigner, Germany's Minister of Food, Agriculture, and Consumer Protection (BMELV), will travel to the United States May 12-16. She will be in Washington, D.C. May 14-15 on the second leg of her trip after a United Nations Sustainability Conference in New York. Minister Aigner is new to the international arena and would like to use this opportunity to learn more about the new Administration's positions on agricultural-related issues. Aigner's one-page biography has already been transmitted to USDA. Aigner is expected to be accompanied by: 1) Dr. Dietrich Guth, Director General, EU-Affairs, International Affairs, and Fisheries; 2) Dr. Christian Grugel, Director General, Consumer Protection, Nutrition, Environment and Biotech; 3) Ms. Birgit Risch, Head of Division, Relations to non-European Countries; and 4) Mr. Klaus Kehrein, Head of Division, International Trade Policy. Klaus Schumacher, from Toepfer International, Thomas Dosch, head of the organic farmers association Bioland, and Sabine Eichner Lisboa, from the German Food Processing Industry, are also expected to accompany Aigner's Delegation. They will participate in roundtable discussions on sustainability and agricultural biotech. Aigner is not expected to participate in the roundtable on biotechnology. Aigner's visit to New York is primarily to return a favor to the Chair of the United Nation's Committee on Sustainability Development (CSD), Ms. Gerda Verburg.

13. (SBU) While Aigner has made several international trips since becoming Minister, this upcoming trip will be the highest profile for a number of reasons. She is trying to support the rehabilitation of her political party (Christian Social Union or CSU) in Bavaria prior to the upcoming European Parliament elections on June 7 and German federal elections on September 27 (Ref B). In addition, her trip to the United States is meant to give her an international presence and to show German agriculture that she is interested in the global agenda. She also wants to emphasize with U.S. officials the role that sustainability will be playing in Germany and the EU in future agricultural policy actions. Privately, some German officials have commented that they hope that the U.S. visit will open Aigner's eyes to the international aspect of German agricultural policy decisions such as her recent decision to ban the cultivation of MON810 corn. They have repeatedly pointed to their disappointment regarding this decision and realize that this has sent unhelpful signals to consumers, some other EU member states and to developing countries around the world.

#### AGRICULTURAL BIOTECHNOLOGY

14. (SBU) Aigner continues to face criticism from all sides on agricultural biotechnology. Anti-biotech groups applauded her decision to ban MON810 corn and were critical of her giving the go-ahead on Amflora potatoes while scientists, researchers and some farm groups criticized her ban on MON810 corn but expressed relief about her go-ahead for potatoes. Recent press has focused less on the issue of biotechnology and more on the appearance that she is being managed by Horst Seehofer, Minister President of Bavaria and Aigner's political leader in the CSU. Many BMELV officials continue to express their unhappiness with Aigner on the topic. Agricultural

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experts inside and outside the Government see the recent issues as local politics and hope that if Chancellor Merkel prevails in the fall elections she will be willing to more effectively engage on the topic once election posturing ceases. (Comment: Aigner is taking political cues from Seehofer in Bavaria and doing what is deemed necessary to win upcoming elections. It is unclear if she, with an engineering background, truly believes in her decisions. In any event, it would be helpful for Aigner to better appreciate the international implications of her recent decision on the use of biotechnology in the developing world and the future of consumer acceptance of the technology. End Comments.)

#### BIOENERGY AND SUSTAINABILITY

15. (SBU) The German biodiesel industry expanded rapidly beginning in 2005 to fill the expected demand for renewable energy. However, it was hard hit by imports, rising commodity prices, and changes in German tax policies. The German biofuels industry continues to be criticized for increased food prices and encouraging the use of feed stocks which do not address NGO concerns about cutting tropical rain forest down to supply biofuel feedstock. As a result, Germany has been and remains at the front of the EU regarding support of anti-dumping duties on imports of U.S. biodiesel and the need for sustainability criteria for biofuels. BMELV wants a closer relationship with USDA on biofuels research and sustainability to strengthen its interagency hand vis-`-vis the Environment Ministry. However, the domestic policy agenda regarding sustainability continues to far outpace progress at the EU level and in international fora, such as the Global Bioenergy Partnership, and continues to threaten access for \$750 million in U.S. soybean exports to Germany. (Comment: Because it is leading the EU policy agenda on this issue, engagement with Germany on biofuels and sustainability has the benefit of helping shape EU policy from the ground up. Given Germany's rush to closure on sustainability because of NGO pressure, it is important to be clear on what the United States expects in return for any engagement. End Comment.)

#### WTO AND THE DOHA AGENDA

16. (SBU) About 25 percent of German agricultural production is exported, which makes maintaining and expanding international

markets important to the German farming community and the food processing industry. German agriculture has seen the benefits of the Uruguay Round particularly to U.S. agriculture and that one way to address some domestic issues such as the over-supply in the dairy industry is through exports. Nonetheless, German agriculture will never be an enthusiastic supporter of trade liberalization; it will not, however, stand in the way of an agreement. In that vein, some Government of Germany (GOG) agricultural officials have privately lamented that the Doha Agreement was not concluded and look to the new U.S. Administration to bring new life to the process. Germany will continue to push for non-trade issues such as animal welfare, labor protection, and environmental standards to be included in the Doha negotiation process.

#### WTO BEEF CASE

¶17. (SBU) Across all Ministries, Germany has been quietly supporting efforts to resolve the U.S./EU WTO beef case, realizing that the current opportunity is optimal and knowing that more difficult issues in other areas lie ahead. While Germany continues to blame France and Ireland as obstructing closure, GOG officials are sensitive to the anti-microbial treatment issue and how it will be addressed. (Comment: With German chocolate targeted to account for over 10 percent of any new retaliation, Germany has an additional incentive to be helpful. End Comment.)

#### G-8 GLOBAL AGRICULTURAL PARTNERSHIP AND FAO REFORM

¶18. (SBU) The GOG and BMELV see themselves as having taken on a leading role in facilitating G-8 food security issues ever since the dramatic rise in food prices in 2008. They point to recent pledges on short term food security and sustainable agriculture projects as evidence of their seriousness in this area. BMELV also is proud of the closer working relationship it has developed over the past 18 months with the United States on reforming the Food and Agricultural Organization. Aigner will likely state her interest in further close coordination on these issues with the United States.

#### 2010 INTERNATIONAL GREEN WEEK

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¶19. (SBU) Each January, the "International Green Week" takes place in Berlin. The 10-day event is part State Fair, part Farm Convention, and part trade show. Since the fall of the Berlin Wall, Green Week has tried to re-invent itself from a Cold War fixture to a venue for German agriculture to educate consumers about food issues. In the past year, BMELV implemented an Agriculture Ministers Conference (which replaced the East/West Forum) as a side event to discuss global policy-related issues and has stated its desire to make this a "world class, can't miss event." In 2010, the Ministers' Conference will discuss the effect agriculture has had on climate change. Minister Aigner is expected to extend to Secretary Vilsack an invitation to the 2010 Conference. (Comment: GOG agriculture officials see USDA Secretarial participation at this event as giving it world class stature. However, output from the last two years' events has been slim, and will likely continue to be. With the European Commission and other countries such as Russia represented by Ministers, the meeting does give an opportunity for bilaterals with several trading partners. End Comment.)

#### COMMISSION ON SUSTAINABLE DEVELOPMENT

¶110. BMELV sources indicate that Aigner's visit to New York is primarily to return a favor to the Chair of the United Nation's Commission Sustainability Development (CSD), Ms. Gerda Verburg, and Minister of Agriculture for the Netherlands. Aigner and Verburg are expected to have follow-up meetings on food security related issues. Aigner will also participate in the opening of the CSD's Ministerial Roundtable discussion on food security and is expected to have other meetings with UN officials. Germany will host a side event on May 13 to highlight its domestic policy priorities regarding certification schemes for sustainability, particularly on feedstock for biofuels. Germany carried out a similar event at WIREC 2008. A bilateral discussion with South African officials is also planned.

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